



Belvedere: May 26, 2005
Jerry Butler

Corte Madera: **TO:** Transportation Authority of Marin Commissioners
Melissa Gill

RE: Proposed TAM FY 2005-06 Budget – Agenda Item 8

Fairfax:
Lew Tremaine
Dear Commissioners:

Larkspur: Attached for your review is the preliminary proposed Fiscal Year 2005-06
Joan Lundstrom budget. A final budget will be presented to you for your approval at the June 23, 2005 meeting. Draft budget information was presented to the City/Town Managers and County Administrator at their May meeting.

Mill Valley:
Dick Swanson

Novato: Pursuant to Article VI, Section 106.1 of the TAM Administrative Code, no later
Pat Eklund than the Authority's June meeting, the Board shall adopt by motion the annual budget for the ensuing fiscal year. The Administrative Code further requires that a public hearing be held on the adoption of the budget, and that the preliminary proposed annual budget shall be available for public inspection at least 30 days prior to adoption.

Ross:
Tom Byrnes

San Anselmo: The attached budget documents include the Fiscal Year 2005-06 Preliminary
Peter Breen Proposed Budget (Attachment A), and the Budget Assumptions (Attachment B) that contain detail on budget elements. Budget highlights are described below.

San Rafael:
Al Boro

Sausalito: **Transition Year for the Authority**
Amy Belser

Tiburon: The FY 2005-06 Budget reflects the first full year of collection and receipt of
Alice Fredericks Measure A sales tax revenue by the Authority and the integration of the CMA and sales tax authority functions of TAM. The budget includes the establishment of an independent office for TAM and the transition from staff supplied by the Marin County Public Works Department to staff employed by TAM. As this is a transition year for the Authority, there are certain one-time expenditures related to the establishment of a new office, such as the purchase of furniture and equipment. For this year, all costs related to the establishment of the new office are assumed to be paid for from Measure A, as office related costs attributable to CMA functions are included in the County overhead rate applied to County staff. In future years, these types of administrative costs may be funded from both CMA and sales tax sources. Additionally, some overlap to insure an orderly transition between the existing County Public Works staff and TAM staff is planned for this year but is not expected in future years.

County of Marin:
Susan Adams
Hal Brown
Steve Kinsey
Charles McGlashan
Cynthia Murray

New Revenues

TAM included in the 2004 STIP for the first time, programming for Planning, Programming, and Monitoring (PPM) for STIP funded projects. Current statutes limit this amount to 1%. Marin County's share of PPM funds is \$24,000 this year, and will be used for staff salaries. Staff is currently working with other Bay Area CMA's on a proposal to set the cap for PPM funds at 5%.

F:\CMA\PDF\Temp for 5-26\08. Review Preliminary '05-06 Budget.doc

**Improving mobility and reducing local congestion for everyone who lives and works in Marin County
by providing a variety of high quality transportation options designed to meet local needs.**

c/o Marin County Department of Public Works, P.O. Box 4186, San Rafael, CA 94913
Phone: 415/499-6570 – Fax: 415/499-3799 – www.marintraffic.org

Debt Financing and Budget Surplus

Planned expenditures of Measure A for the 101 Gap Closure Project are \$1,350,000, exceeding the estimated amount available in FY 2005-06 for the project. Based on the assumptions in the Measure A Expenditure Plan, and the expected funding needs for the project over the next two years, debt financing in the amount of \$15 million was assumed to be in place by mid to late FY 2005-06. The total proceeds of the financing (\$15 million) are shown in FY 2005-06, resulting in nearly \$14 million in "surplus" revenues that will be carried into FY 2006-07 for use on the project. The details of the financing are still to be determined. When the cash flow requirements for the project are defined and financing options have been considered, staff will return with a debt-financing plan for the Commission's approval.

Additional surplus in the FY 2005-06 Budget is due largely to unallocated Measure A revenues. Allocation of the surplus Measure A funds will be addressed as a part of the Strategic Plan.

Prior Year Carry Forward

Staff is working on estimating the FY 2004-05 fund balance that becomes the amount carried forward into FY 2005-06. At this time, that estimate is \$75,000 and is likely to change prior to presentation of the FY 2005-06 budget for the Board's adoption. The adopted FY 2004-05 budget indicates that the carry forward could be as much as \$1.6 million.

Recommendation

Staff recommends that TAM:

1. Provide comments on the preliminary Proposed FY 2005-06 and suggest any changes.
2. Direct staff to schedule a public hearing for June 23, 2005, and to post the Proposed FY 2005-06 budget on the TAM website at least 30 days prior to the public hearing.

Respectfully Submitted,

Craig Tackabery
Executive Director

Attachments: A. Preliminary Proposed FY 2005-06 Budget
 B. Budget Assumptions

Transportation Authority of Marin

Preliminary Proposed FY 2005-06 Budget

	Adopted FY 04-05	Proposed FY 05-06	Change
REVENUE			
Prior Year Carry Forward	\$397,927	\$75,000	-\$322,927
Cities and Counties	\$350,000	\$430,000	\$80,000
Interest Earned	2,000	1,000	-1,000
STP/CMAQ (MTC)	240,000	240,000	0
STIP/PPM (MTC)	0	24,000	24,000
T-PLUS (MTC)	150,000	150,000	0
BAAQMD	18,738	397,106	378,368
RM-2	38,500	2,325,000	2,286,500
Community Based Transportation	12,600	60,000	47,400
Measure A (net of BOE fees)	1,638,207	19,819,256	18,181,048
Measure A Bond Proceeds	0	15,000,000	15,000,000
Line of Credit/Loan	3,462,000	0	-3,462,000
Total Revenue Available	\$6,309,972	\$38,521,362	\$32,211,389
EXPENDITURES			
Administration			
Salaries & Benefits	\$531,300	\$1,073,758	\$542,458
Office Lease	0	79,800	79,800
Furniture	0	55,500	55,500
Equipment	0	24,200	24,200
Telephone	0	8,500	8,500
Office Supplies	30,000	20,000	-10,000
Insurance	0	10,000	10,000
Audit	6,000	20,000	14,000
Legal	10,000	10,000	0
County Auditor Contract	0	20,000	20,000
Document Reproduction	20,000	20,000	0
Memberships	0	5,000	5,000
Travel	0	10,000	10,000
Line of Credit/Debt Expense	2,000	5,485,000	5,483,000
Subtotal, Administration	\$599,300	\$6,841,758	\$6,242,458

Professional Services

CMP	\$15,000	\$49,000	\$34,000
T-PLUS	70,000	105,000	35,000
Consulting Pool	29,000	50,000	21,000
Sales Tax Initiation/PMO	25,000	0	-25,000
Organization Review	16,000	0	-16,000
HR/Benefits Analysis	10,000	0	-10,000
Community Based Transportation	12,600	54,000	41,400
Program Management Oversight	314,300	551,200	236,900
Election Cost	155,000	0	-155,000
Subtotal, Professional Services	\$646,900	\$809,200	\$162,300

Measure A Programs

Reserve	0	1,981,926	\$1,981,926
Program Management	0	514,500	514,500
Strategy 1 - Transit	3,462,000	5,897,000	2,435,000
Strategy 2 - Gap Closure	0	1,350,000	1,350,000
Strategy 3 - Streets & Rds	0	1,506,044	1,506,044
Strategy 4 - Safe Routes	0	940,000	940,000
Subtotal, Measure A Programs	\$3,462,000	\$12,189,470	\$8,727,470

Other Programs/Projects

TFCA Program	\$0	\$378,368	\$378,368
RM-2 Projects	\$0	\$2,325,000	\$2,325,000
Subtotal, Other Programs	\$0	\$2,703,368	\$2,703,368

Total Expenditures	\$4,708,200	\$19,840,428	\$15,132,228
---------------------------	--------------------	---------------------	---------------------

Surplus/Deficit	\$1,601,773	\$18,680,934	\$17,079,161
------------------------	--------------------	---------------------	---------------------

5/17/2005 Draft

**Transportation Authority of Marin
Preliminary Proposed FY 2005-06 Budget
Budget Assumptions**

I. Revenue

1. Cities and Counties

The table below is based on a 50% population / 50% road miles formula using 2004 data.

Agency	% Pro-Rata Share	Proposed Pro-Rata Amount
Belvedere	1.04%	\$ 4,472
Corte Madera	3.20%	\$ 13,760
Fairfax	2.79%	\$ 11,997
Larkspur	4.16%	\$ 17,888
Mill Valley	5.99%	\$ 25,757
Novato	17.00%	\$ 73,100
Ross	0.99%	\$ 4,257
San Anselmo	4.70%	\$ 20,210
San Rafael	20.16%	\$ 86,688
Sausalito	2.84%	\$ 12,212
Tiburon	3.46%	\$ 14,878
County	33.67%	\$ 144,781
Total	100.00%	\$ 430,000

Transportation Authority of Marin

Estimated FY 2005-06 Budget Cities and Counties Revenue¹

Agency	% Pro-Rata Share ²	Proposed Pro-Rata Amount
Belvedere	1.04%	\$ 4,472
Corte Madera	3.20%	\$ 13,760
Fairfax	2.79%	\$ 11,997
Larkspur	4.16%	\$ 17,888
Mill Valley	5.99%	\$ 25,757
Novato	17.00%	\$ 73,100
Ross	0.99%	\$ 4,257
San Anselmo	4.70%	\$ 20,210
San Rafael	20.16%	\$ 86,688
Sausalito	2.84%	\$ 12,212
Tiburon	3.46%	\$ 14,878
County	33.67%	\$ 144,781
Total	100.00%	\$ 430,000

Notes:

1. Based on 50% roadmiles and 50% population formula.

2. 2004 Department of Finance Population Estimates, 2003-04 Marin County Road List, and 2004 road miles data from Marin City and Town Public Works Directos

2. Interest Earned

The budget includes the anticipated return on cash flow.

3. STP/CMAQ (MTC)

STP/CMAQ funds are provided to CMAs by MTC for purposes of carrying out the responsibilities of the CMA, including preparing and updating the Congestion Management Plan. The budget reflects the amount, \$240,000, contained in the FY 2004/04 through FY 2005/06 agreement. During the upcoming year staff will be working with MTC on a new agreement and will be pursuing an increase in funding to more closely match the CMA responsibilities.

4. Transportation Land Use Systems Program (T-PLUS) (MTC)

T-PLUS funds are provided by MTC over a 3-year period under the same agreement mentioned above. The budget reflects the amount, \$150,000, contained in the agreement.

5. Bay Area Air Quality Management District (BAAQMD)/Transportation Funds for Clean Air

TAM receives a share of Transportation Funds for Clean Air to fund projects meeting specific clean air criteria. TAM issues a call for projects annually for this source of funds. Estimates of funds that will be spent on projects completed during the fiscal year, and the allowance of 5% for staff expenses are included in the budget,

6. Regional Measure 2 (RM-2)

TAM is managing four RM-2 projects in the County. The budget reflects revenues that will be used from recent MTC allocations of RM-2.

7. Community Based Transportation

TAM has been selected by MTC for a grant of funds for two Community Based Transportation plans in the County.

8. Measure A

The budget includes estimated transportation sales tax revenues for one full year, net of Board of Equalization (BOE) fees and debt issuance and repayment costs. This estimate is based on conservative assumptions using 0.2% growth over FY 2004-05 tax base estimates. The collection fees from the BOE and estimated costs for issuing and repaying a \$15 million bond are “taken off the top” before percentage allocations are made to the Strategies.

9. Measure A Bond Proceeds

The budget includes proceeds from a \$15 million bond, the level of borrowing anticipated to fund the 101 Gap Closure project and maintain the project schedule. Other projects could also be included in any issuance, and would be identified in the Strategic Plan.

10. Line of Credit / Loan

Some form of loan, bridge financing, or interagency borrowing will be required to meet TAM's commitment to MCTD for local transit services. The loan is planned to be executed in FY 2004-05, and loan repayment will begin in FY 2005-06.

II. Expenditures

1. Administration

i. Salaries and Benefits

The proposed staffing is as follows:

Position	FTE	Salary and Benefits
Assistant Director	1	\$199,648
Principal Transportation Planner	0.25	\$150,540
Senior Transportation Planner	0.50	\$134,615
Senior Transportation Engineer	0.50	\$160,518
Associate Engineer	0.75	\$144,625
Senior Civil Engineer	1	\$160,615
Secretary	1	\$70,525
TAM Staff		\$349,300
Total		

The budget for salaries and benefits is based on approved salary and benefit increases in the Department of Public Works staff assigned to TAM, and estimates for additional TAM staff recommended in the April 1, 2005 organizational analysis prepared by Carmen Clark. Actual TAM salary ranges for each position will be approved by the Commission at a future meeting.

ii. Office Lease

The budget assumes a 2,500 square foot office priced at \$2.50 per square foot per month. Moving costs and County Real Estate Division oversight costs are included in this line item.

iii. Furniture

The furniture budget includes 6 workstations, a conference room and reception area furniture, as well as County Capital Projects Division oversight costs.

iv. Equipment

The equipment budget is comprised of 6 computers, software, and a server for the office.

v. Telephone

The telephone budget includes the purchase and installation of a new telephone system and monthly service costs.

vi. Office Supplies

The budget for office supplies is based on the prior year estimated actual costs, “start up” costs for a new office, and new staff.

vii. Insurance

The insurance budget is based on costs reported by similar organizations.

viii. Audit

The audit budget is based on costs reported by similar organizations for independent audit services.

ix. Legal

The budget for legal services is based on the prior year estimated actual costs for legal consulting on an “as needed” basis.

x. County Auditor Contract

The budget includes an estimated cost for an accounting and payroll services contract that has not yet been negotiated.

xi. Document Reproduction

The budget for document reproduction is based on prior year estimated actual costs for printing documents and outreach materials, plus business cards for new employees and Annual Report production.

xii. Memberships

The budget includes costs for membership in the Self Help Counties Coalition and dues for employees’ professional memberships.

xiii. Travel

The budget for travel is based on prior year estimated actual expenditures plus additional travel for new staff to routine conferences, meals, and related business expenses.

xiv. Line of Credit / Debt Expense

The budget includes an estimated cost for a Line of Credit with an average balance of \$100,000 at a 5% interest rate. The interest expense for a line of credit or interagency borrowing may be needed to address TAM’s commitment for funding its agreement with Marin County Transit District (MCTD) for FY 2004-05.

The budget includes bond issuance costs and the first year of debt service on a \$30 million bond. While TAM revenues include \$15 million in bond proceeds for the 101 Gap Closure, funds were budgeted to cover a \$30 million bond issuance to ensure that debt capacity would be reserved for future needs.

2. Professional Services

The budget for Professional Services is based on current and anticipated consulting contracts. Staff anticipates expenditures on professional services contracts for the following services in FY 2005-06:

- CMP
- T-PLUS
- Consulting Pool
- Community Based Transportation Plan
- Program Management Oversight

3. Measure A Programs

i. Reserve

A 10% reserve fund is budgeted as allowed in the Measure A Expenditure Plan to address potential variations in sales tax revenues. The amount of the reserve fund will be further refined as the Strategic Plan is developed.

ii. Program Management

Direct program management costs are assigned to strategies. The amounts allocated to programs will be further refined as the Strategic Plan is developed.

iii. Strategy 1 – Local Bus Transit

The budget includes TAM's November 2004 Measure A allocation of \$5,897,000 to the Marin County Transit District.

iv. Strategy 2 – 101 Gap Closure

The budget includes anticipated expenditures of \$1,350,000 for Segments 3 and 4 of the 101 Gap Closure project. Expenditures in FY 2005-06 and FY 2006-07 are anticipated to exceed Measure A funds available. Financing resulting in proceeds of \$15 million is expected to be completed in late FY 2005-06 to meet the project funding needs.

v. Strategy 3 – Infrastructure

The budget includes anticipated allocations of Measure A revenues to local jurisdictions for the local roads component of this strategy. No expenditures are included at this time

for the major roads component of the strategy in FY 2005-06, pending the outcome of project prioritization and development of the Strategic Plan.

vi. Strategy 4 – School Access and Safety

The budget includes funding for the Safe Routes to Schools contract and an estimate of costs for the crossing guard program. No expenditures are included at this time for the capital component of this strategy in FY 2005-06. The amounts allocated to programs will be further refined as the Strategic Plan is developed.

4. Other Programs and Projects

i. Transportation Funds for Clean Air (TFCA)

The budget includes expenditures for approved projects expected to be complete this fiscal year.

ii. Regional Measure 2

The budget includes expenditures for the four RM-2 funded projects: Sir Francis Drake Boulevard Widening, US 101 Greenbrae Interchange, Cal Park Hill Tunnel, and the Ferry Access project.